

Testimony of
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before the House Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade
“Where the Jobs Are: Promoting Tourism to America”
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Good morning, Chairwoman Bono Mack, Ranking Member Butterfield, and members of this Subcommittee. Thank you for the opportunity to speak with you today on the National Travel and Tourism Strategy.

The Importance of Travel and Tourism to Jobs and the Economy

The Obama Administration and the Department of Commerce clearly recognize travel and tourism’s importance to the U.S. economy. This industry supports job creation throughout the United States, accounting for \$1.2 trillion in total economic activity and supporting 7.6 million American jobs in all states and territories.

In 2011, 62 million international visitors came to the United States and spent a record \$153 billion on U.S. travel- and tourism-related goods and services, which are counted as U.S. exports. Tourism exports lowered the trade deficit by \$42.8 billion and supported 1.1 million jobs across the country. Travel and tourism receipts currently account for 25 percent of our total services exports. It is evident that the travel and tourism industry is key to delivering on the Obama Administration’s National Export Initiative to increase exports and support U.S. jobs.

Each year, millions of international tourists visit U.S. public lands and small towns, spending money at local businesses that provide lodging, dining, retail and entertainment. Rural America plays a particularly important role in the national tourism economy by attracting and retaining tourists for longer visits. Through creating and maintaining jobs in rural America, this strategy links to the work of the White House Rural Council, which was established by an Executive Order of President Obama in June 2011, and is dedicated to creating jobs and fostering economic development in Rural America.

The United States is highly competitive in the international travel and tourism marketplace. We lead the world in revenues derived from international travelers – nearly double the level of Spain, our next competitor – and we are second only to France in the number of international visitors.

The world travel market is changing rapidly, however. Competition has increased. From 2000 to 2010, the U.S. share of spending by international travelers fell from 17 percent to 11 percent, a more than 30 percent decrease in our share of the global market. Like the United States, other traditional tourism destinations such as France, Spain, Italy, and Canada lost share during the same period, while Asian and other emerging destinations dramatically increased their market share. Many of our competitors recognize global travel and tourism growth, driven by the growing number of middle class consumers in emerging economies and by the advent of low cost regional travel, as an opportunity for increased trade and job creation.

The National Travel and Tourism Strategy

Given this new competitive dynamic, the United States must harness the potential of travel and tourism in growing our economy. To ensure we reach this potential, President Obama issued Executive Order 13597 on January 19, 2012. This Executive Order established a Task Force on Travel and Competitiveness to develop a set of recommendations to promote domestic and international travel to and within the United States with the goal of increasing the United States' share of worldwide travel.

The Task Force, consisting of federal agencies whose work impacts travel and tourism, developed the *United States National Travel and Tourism Strategy* with substantial input from the industry, Congressional members, and other stakeholders. Secretary of Commerce John Bryson and Secretary of the Interior Ken Salazar, co-chairs of the Task Force, submitted the completed Strategy to the President and, on May 10, released it to the industry and public at a meeting of the Congressional Travel and Tourism Caucus.

Let me describe what we plan to accomplish through the Strategy.

Our goal is simple, yet bold: Increase American jobs by attracting and welcoming 100 million international visitors, who we estimate will spend \$250 billion annually, by the end of 2021. We will also encourage Americans to travel within the United States and its territories to see all that our country has to offer.

Promoting the United States

To accomplish this, we will promote the United States as never before. This extra effort means communicating to the world that the United States welcomes visitors and providing accurate information about the ease of travel to and within the United States. It means coordinating federal promotion efforts with the marketing campaign of Brand USA, the public-private corporation established by the Travel Promotion Act of 2009. It means partnering with the travel and tourism industry through new and existing agreements. And it means partnering with state, local, tribal, and territorial governments to build campaigns around activities and iconic places from the Sequoia National Forest to the San Antonio Riverwalk to the Outer Banks in North Carolina.

Enabling and enhancing travel and tourism to and within the United States

While keeping our nation's security as their primary focus, the Departments of State and Homeland Security will streamline visa applications and entry for legitimate travelers into the country through improvements in process, technology, staffing, and infrastructure. For example, proposals include increasing staffing at the highest priority posts, such as China and Brazil, and streamlining programs for low risk applicants.

The U.S. Government will continue to make strategic investments in transportation infrastructure to enable safer and more efficient movement between destinations throughout the country. This means supporting the program to upgrade our national air traffic control system, entitled NextGen, and working to promote improvements to our nation's highways.

Providing world-class customer service and visitor experience

The Administration will strive to provide world-class customer service and visitor experiences to inspire repeat visits, including fostering a skilled hospitality and tourism industry workforce and using new technologies to address language and information needs. The Strategy also proposes efforts to help small travel and tourism businesses, including expanding access to capital through the Small Business Administration's 5,000 lending partners and providing counseling and mentorship to help small travel and tourism businesses gain the confidence to withstand seasonality and demand volatility.

Coordinating across government

Federal agencies, through the Tourism Policy Council (TPC) which is the interagency coordinating group chaired by Secretary Bryson, will emphasize travel and tourism as a U.S. government priority and coordinate federal policies and programs. We will also create a national travel and tourism office at the Commerce Department to serve as a central driving force within the government and provide the day-to-day support needed to implement the National Strategy.

Conducting research and measuring results

The International Trade Administration at the Department of Commerce will work with the travel and tourism industry to collect and analyze data to support smart decision-making in the public and private sectors. This will include developing public-private partnerships to support government research initiatives, strategic planning, and private sector promotional activities. The TPC will also develop metrics to measure the progress of the National Strategy and analyze results to improve performance.

Implementation of the National Strategy will encourage travelers to choose America as the world's premier tourism destination. It will better facilitate entering into and traveling across the United States and foster greater cooperation with the private sector, which will enable us to create a world-class U.S. travel experience that will encourage visitors to extend their stays and return to see more.

Development and Implementation of the National Strategy

Developing this Strategy was truly an interagency effort and involved an active dialogue with industry and other stakeholders.

Secretaries of Commerce and the Interior, as co-chairs of the Task Force, worked with counterparts from the Departments of State, Homeland Security, Treasury, Agriculture, Labor, and Transportation, as well as the Army Corps of Engineers, the Office of the U.S. Trade Representative, the Export-Import Bank, and the U.S. Small Business Administration. Each agency was actively engaged in the development of the National Strategy from beginning to end.

As I mentioned earlier, the Task Force sought and received a significant amount of stakeholder input into the process, including submissions from state tourism offices, convention and visitor bureaus, small businesses, non-governmental organizations, and industry associations.

In addition, agencies of the Task Force undertook a broad outreach effort to their respective constituencies and stakeholders. For example, in addition to discussions with industry associations, the Department of Commerce engaged the Council on Jobs and Competitiveness, the President's Export Council, and the U.S. Travel and Tourism Advisory Board, which provided a formal letter of recommendations for consideration.

We know now is the time to go to work on this Strategy. I feel confident that the coordinated efforts of the Task Force will carry over to implementation of the National Strategy, which will be overseen by the TPC. Secretary Salazar will work with Secretary Bryson and play an active role on the TPC to ensure successful implementation of the Strategy. In fact, efforts to support the growth of travel and tourism to and within the United States are already underway by the TPC's member agencies, many of whom served on the Task Force.

It is not just government agencies, however, that promote increased travel and tourism. We are working closely with our private sector partners as well. A key partner is the Corporation for Travel Promotion, doing business as Brand USA, which just launched its new U.S. tourism promotion program at the end of April.

James P. Evans, the Chief Executive Officer of Brand USA, will be on your second panel today and undoubtedly will provide you with many of the exciting details of their work. As I mentioned, their promotion program is a new effort, and the Department of Commerce is committed to working with Brand USA to make it a success. Let me briefly describe some of their efforts to give you a sense of how the work of both the U.S. government and Brand USA is needed to reach the goals of the National Strategy.

This month, Brand USA began its promotional efforts in Canada, the United Kingdom and Japan. A second wave of promotional efforts will begin later this year in South Korea and Brazil.

In addition to working with the Department of Commerce, Brand USA also is coordinating messaging in the marketplace with the Departments of State and Homeland Security. Brand USA has established its objectives and marketing plan to guide these efforts. As we collaborate with Brand USA to increase the number of visitors coming to the United States, the U.S. government must also be prepared to welcome these visitors and provide a safe and quality visitor experience, if we are to compete effectively with other nations. Our ability to provide a quality visitor experience has a profound effect on perceptions of the United States as a travel destination.

Conclusion

Whether we are encouraging visitors to come to Disney, Denali National Park, or the Montezuma Castle, there is good reason to make travel and tourism a priority. A recent McKinsey Global Institute study identified the leisure and hospitality sector as the fifth largest employer in the United States and one of six priority sectors likely to drive domestic employment growth over the next 10 years. The hospitality and leisure sector – which includes accommodations, food services, arts, entertainment, and recreation – could add between 2.1 million and 3.3 million jobs during this period. Growth in consumer spending and gains in the U.S. share of global tourism will allow us to reach the upper end of this range, given the travel and tourism industry's significant contribution to the leisure and hospitality sector.

The implementation of the National Strategy and our work with private sector partners will be crucial in realizing travel and tourism's potential to create jobs over the next decade. We are working with speed and intensity to ensure that federal agencies make the necessary improvements, and that Brand USA launches successfully.

I look forward to continuing to work with Congress to meet the goals set out for us in the Travel Promotion Act, and to ensure that the unique public-private partnership it created delivers on the full promise of this vital industry and the unrivaled travel and tourism resources this country has to offer.